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CRASS CHANGED TO: TS 1990 SAIGON CRISIS

A seventary extension of uneasy truce in Saigon, announced today, has postponed a test of arms between the Diem government and the Binh Xuyen gangster organization that controls the national police.

- A. The breathing-spell will be used to seek a "political" settlement, instead.
- B. The French can be expected to continue their efforts to get Diem out or to transform his government into more to their liking.
- II. Opposing forces in the Saigon area are as follows:
 - A. Vietnamese Wational army troops (in Saigon and its environs)
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 total 13 battalions, or approximately 10 cbh

Their arms are far superior to those of the opposing forces.
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but the National army is dependent on the French for logistic support.

- B. Binh Kuyen troops total 3,500.
 - For years they have received their arms and ammunition from the French.
- 25X1C This supply was terminated in February, 25X1C thus leaving the Binh Xuyen with no apparent logistic support.
- C. Allied with the Binh Xuyen are the Hoa Hao, whose troops total 15-20,000. These forces, however, are located west of Saigon.

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Approved For Release 2000/09/11: CIA-RDP79R00890A000500040022-4 ment of the ferry and road communications in the Saigon area, they could not move into the city unless the French permitted them to do so.

- D. Troops of the third "sect," the Cao Dai, total some 16,000, located north of Saigon.
 - 1. Commanders of these forces have declared their support of Diem but the French insist this is merely a maneuver for monetary profit and that these officers are actually anti-Diem.
 - 2. American observers believe that, in any case, the Cao Dai would remain aloof from any armed showdown in Saigon.

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AL Johns

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totals 34,000.

III. General Collins estimates that the National army could easily both destrey the Binh Kuyen establishments in Saigon and capture the Binh Eugen-held National Police headquarters--the immediate bone of contention.

- A. General Ely has expressed a similar opinion but the French insist that a "revolutionary situation" exists.
 - 1. They claim that an attack on the Binh Xuyen would only result in their being driven into the countryside, where they would become a rallying point for all anti-Diem elements--with resultant civil war.
 - 2. This French claim appears not to take into account the fact that the unsavory Binh Xuyen gangsters have no popular base Approved For Release 2000/09/11; CIA-RDP79R00890A00500000022-4